

May 17, 2016

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**VIA EMAIL (PSC@PORTLANDOREGON.GOV)**

Ms. Katherine Schultz, Chair  
Planning and Sustainability Commission  
City of Portland  
1900 SW Fourth Avenue, Suite 7100  
Portland, OR 97201-5380

**Re: Killian Pacific's Mixed Use Zones Project Testimony  
8112 SE 13th Avenue and 4534 SE McLoughlin Boulevard**

Dear Chair Schultz and Members of the Planning Commission:

This office represents Killian Pacific ("Killian") the owner of 8112 SE 13th Avenue in Sellwood, as shown on the attached Figure 1 (the "Tacoma Site") and 4534 SE McLoughlin Boulevard, as shown on the attached Figure 2 (the "McLoughlin Site").

The Tacoma Site is proposed to be designated Mixed Use Neighborhood under the Recommended Draft of the 2035 Comprehensive Plan and split-zoned CM1 and CM2 under the Proposed Draft of the Mixed Use Zones Project ("MUZP"). Killian requests that the Commission consider eliminating the split-zone and encouraging redevelopment of this under-utilized property by zoning the full Tacoma Site CM2 or CM3 under the MUZP.

The McLoughlin Site is proposed to be designated Mixed Use Neighborhood under the Comprehensive Plan and zoned Mixed Use Employment ("CE") under the MUZP. Killian requests that the Commission consider rezoning the McLoughlin Site CM3 to encourage large-scale employment or housing development more appropriate for this property.

We appreciate your consideration of these requests, which are detailed below.

**Tacoma Site**

The corner lot of the Tacoma Site is proposed to be down-zoned from Storefront Commercial ("CS") to Commercial Mixed Use 1 ("CM1") with a Main Street ("m") overlay. Killian requests that the Commission consider eliminating the split-zone and encouraging redevelopment of this under-utilized property by zoning the full Tacoma Site CM2 or CM3 under the MUZP.

The CM1m zoning is proposed as part of the Low Rise Commercial Storefront Areas effort to retain the character of older main street areas with low-rise Streetcar-Era storefront buildings.

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Killian has no current plans to redevelop the Tacoma Site and is happy to defer to community desires to retain the Tacoma Site as-is. However, Killian questions whether down-zoning commercial corridors throughout the City is too blunt of a tool. A corridor does not necessarily lose its character through the addition of buildings with greater heights and FAR. Killian appreciates the competing goals of the City's rezoning effort in which it is important both to safeguard recognized storefront corridors in the City's commercial neighborhoods, and to appropriately zone commercial areas to encourage redevelopment and density. We hope this balance can be struck without unnecessarily depressing development potential in commercial areas.

**If the City moves forward with the Storefront Area regulations, Killian requests that the Tacoma Site's down-zone to CM1 be removed for the following reasons:**

First, as shown on Figure 1, the Tacoma Site's predominate frontage is on SE Tacoma Street, which is an established commercial corridor and proposed for CM2 zoning. As shown on the attached Figures 3 and 4, all of the retail establishments in the Tacoma Site's current development face SE Tacoma Street and Killian anticipates that this will continue to be the case under a redevelopment scenario because of the increased commercial intensity along SE Tacoma Street. Applying the more restrictive Storefront Area zoning to the Tacoma Site simply because it also has frontage along SE 13th will not cause redevelopment to front SE 13th or be designed to mimic its main street character.

Second, it is appropriate and consistent with the desired storefront character of SE 13th to have more intense development on corners where SE 13th fronts a more developed corridor like SE Tacoma Street. Rezoning the Tacoma Site and other properties that front both Tacoma and 13th to CM2 allow this more intensive development at a natural point along the SE 13th corridor.

Third, only one of the lots at the corner of 13th and Tacoma contains a building from the Streetcar Era (1950's and before) which the Storefront Areas are designed to protect. The development on the Tacoma Site was built in 2000 and does not have historic significance. The remainder of the corridor does contain some Streetcar Era buildings but according to the Draft Low Rise Commercial Storefront Analysis has the lowest percentage of lots with Streetcar Era storefront buildings (52%) and ties for lowest percentage of street frontage with these buildings (50%). This is considerably lower than the other proposed Storefront Areas, which typically have 70 percent or higher coverage with Streetcar Era buildings.

Fourth, the Tacoma Site is significantly under-developed. As shown on the attached Figure 5, the Site contains a large surface parking lot that occupies half of its 13th Avenue

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frontage. Under the proposed CM1 zoning redevelopment is unlikely to be financially feasible or attractive, which will preserve the existing underutilization of the Site.

Finally, the MUZP proposes to split-zone the Tacoma Site CM1 and CM2. The existing building on the property is located on both lots within the Site. The City has a policy against split zoning sites and buildings and this should be considered when rezoning the Tacoma Site.

### **McLoughlin Site**

The McLoughlin Site is currently zoned General Commercial (“CG”) and is proposed for rezoning to CE. As shown on the attached Figures 6 and 7, the McLoughlin Site is primarily developed as a surface parking lot. It is adjacent to a 24-Hour Fitness, other parking lots and various commercial uses. The Site is not near more sensitive residential neighborhoods and has easy access to the MAX Orange line at the nearby SE 17th and Holgate MAX station, as well as frequent Tri-Met bus service on lines 17, 19, 30 and 70. For these reasons, the approximately 32,000 square foot McLoughlin Site is ideal for large-scale employment, housing, or mixed use development. The proposed CE zoning will limit the Site to a base height of 45 feet and base FAR of 3:1, while the CM3 zone allows 65 feet of base height.

According to the MUZP Section 33.130.030.D, the Site’s proposed CE zoning is intended to emphasize commercial and employment uses and allows for drive-through’s and auto-accommodating uses. In contrast, CM3 zoning is a large-scale zone intended for sites in high-capacity transit station areas, and is not appropriate for sites where adjacent properties have single-dwelling residential zoning. The McLoughlin Site is near the new MAX line and not adjacent to single-dwelling areas. The Site is in an ideal location for additional density and CM3 zoning will drive redevelopment that is unlikely to occur under the proposed CE zoning. Killian has been approached by drive-through businesses with an interest in the McLoughlin Site, but hopes to instead redevelop the property to maximize density for employment, housing, or mixed uses.

Killian acknowledges that the current version of the Comprehensive Plan adopted by City Council designates the McLoughlin Site Mixed Use Neighborhood, for which CM3 is not an allowed zone. Killian requests that the Commission consider rezoning the Site to CM3 under the MUZP and request that the City Council reconcile the Comprehensive Plan discrepancy later in the planning process.

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Killian appreciates the City's competing tasks to respond to neighborhood concerns regarding higher density, while maximizing the investment in light rail and other infrastructure that should drive higher density in mixed-use areas. Killian has no current plans to develop either the Tacoma or McLoughlin Sites at this time, but requests that the Commission consider rezoning both Sites to allow greater density. Both Sites are located within commercial areas that can support greater heights and density than is currently proposed. If the City wishes to see properties like these redeveloped within the 2035 planning horizon, additional density will encourage this in a way the proposed zoning will not.

Thank you for your consideration of these requests.

Very truly yours,



Dana L. Krawczuk

DLK:rsr

cc: Mr. Noel Johnson (via email)  
Mr. Barry Manning (via email)

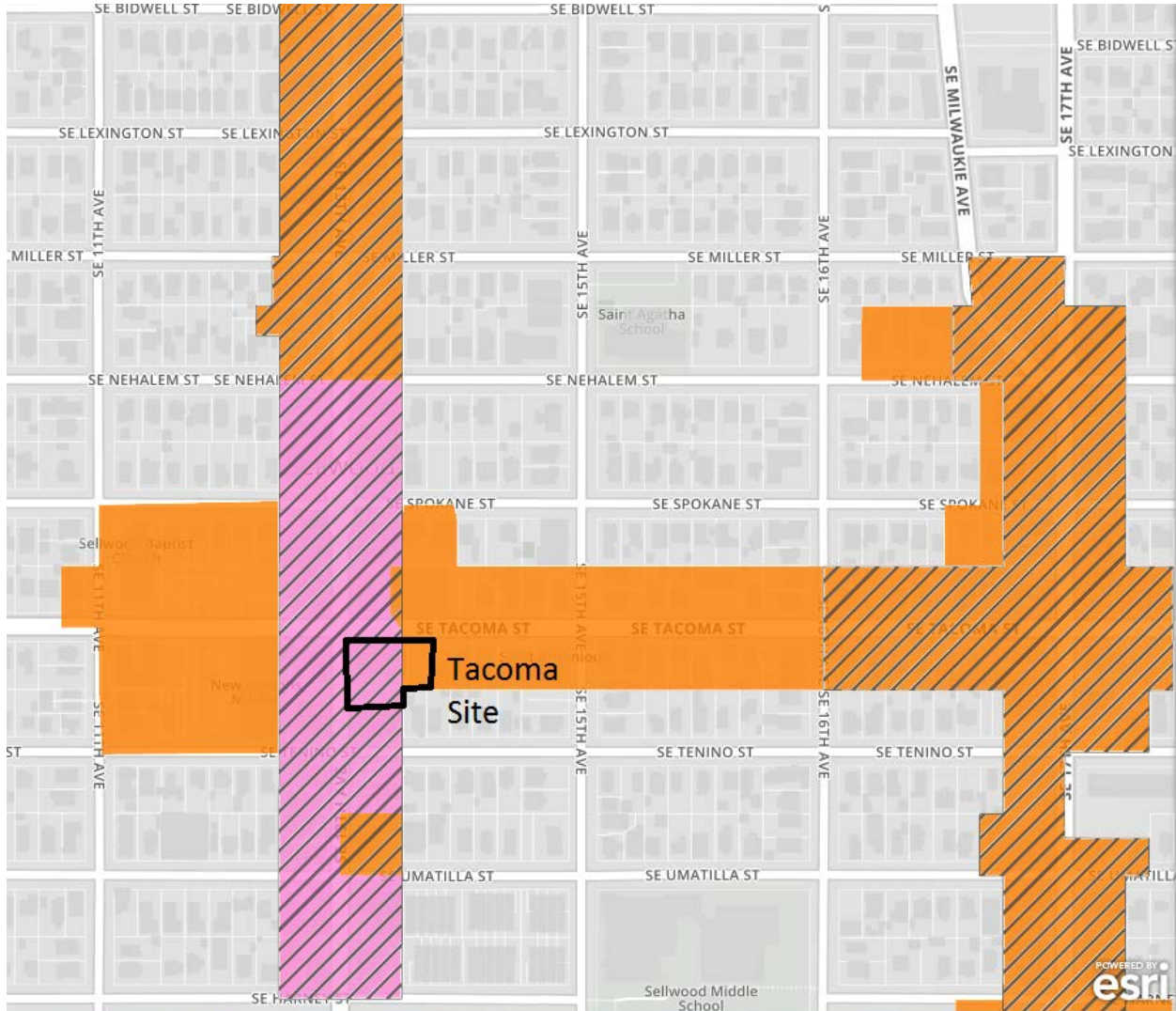
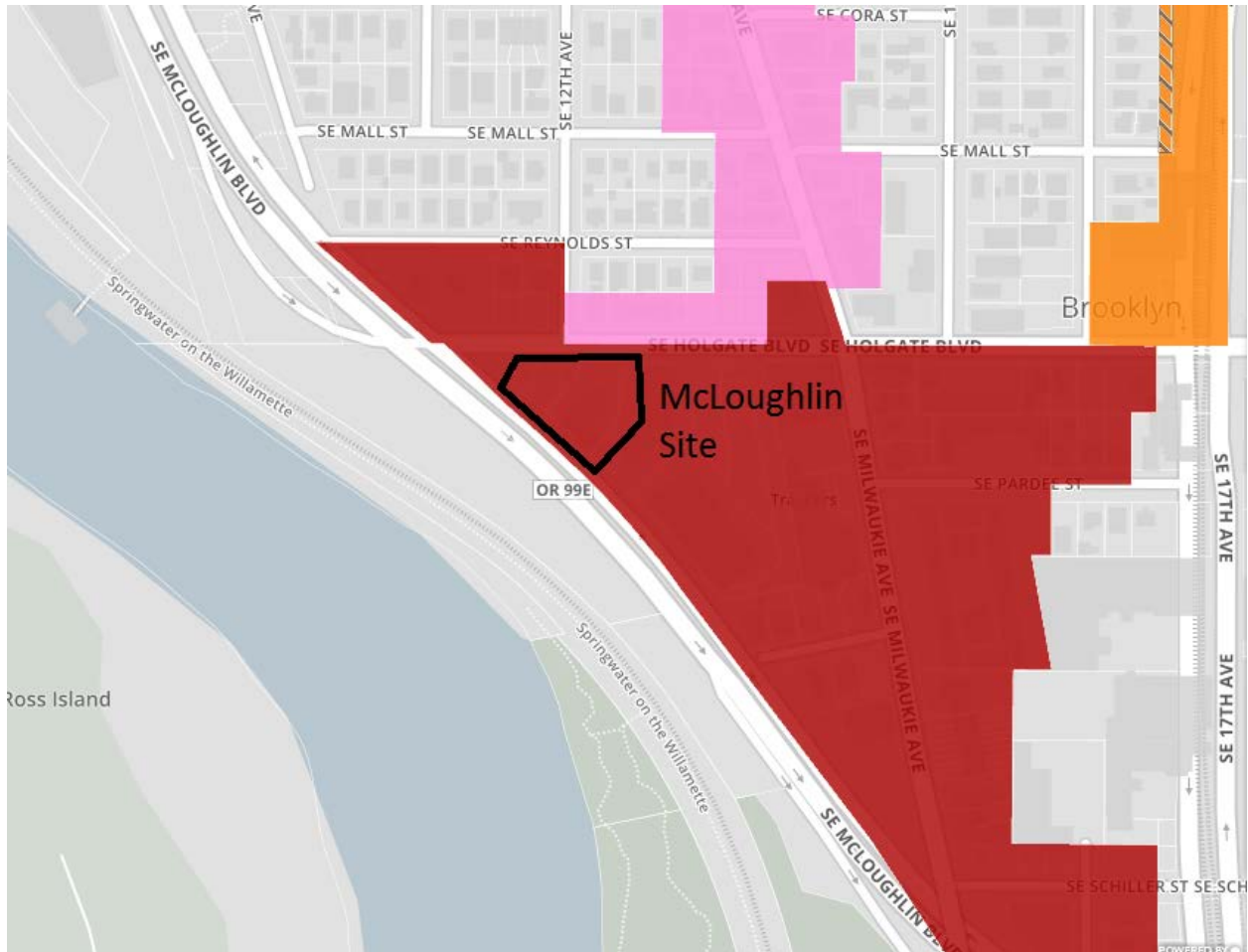




Figure 2: McLoughlin Site



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Figure 3: Tacoma Site Frontage Along SE 13th Avenue



Figure 4 - Tacoma Site Frontage Along SE Tacoma Street



Figure 5: Tacoma Site Aerial





Figure 6 McLoughlin Site Aerial



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Figure 7: McLoughlin Site Development

